

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL**

**Sub :** In the matter of approval of deviation in RFP document for procurement of power on Medium term basis with respect to Guidelines for Determination of Tariff by Bidding Process by Distribution Licensee as notified by Ministry of Power Govt. of India vide No.23/11/2004-R&R dated 19.01.2005 and its amendments from time to time.

**ORDER**

**(Date of hearing 10.04.2012)**

**Date of order 11.04.2012**

M.P. Power Trading Co. Ltd., Jabalpur (MPPTCL)                      Petitioner

Shri Rajesh Mehta, CGM, M.P. Power Trading Co. Ltd., Jabalpur appeared on behalf of M.P. Power Trading Co. Ltd., Jabalpur (MPPTCL).

2. The petitioner, MPPTCL, Jabalpur had earlier filed a petition for approval of deviation in RFP document for procurement of power on medium term basis with respect to guidelines issued by the Ministry of Power, Govt. of India for determination of tariff by bidding process by the Distribution Licensee. The hearing in the matter was held on 17.01.2012 and Commission approved the deviations as proposed by the petitioner vide Order dated 19.01.2012.

3. Subsequent to this, the petitioner vide its filing dated 13.03.2012 has requested the Commission to consider and accord approval to the additional deviations as given below:-

- (i) Fixing the Contract Performance Guarantee (CPG) as Rs.1.8 lac/MW and Bid Bond as Rs.0.18 lac/MW.
- (ii) To incorporate in RFP document that the wholly owned Government Company/Undertaking/Utility of Central or the State Governments are exempted from furnishing of Bid Bond.

4. The Commission held the motion hearing on 10.04.2012. It has been observed by the Commission that subsequent to the approval of Commission in the matter of Petition No.76/2011 on the proposed deviations, the petitioner has raised the following new issues:-

- (i) The Contract Performance Guarantee (CPG) has been fixed as Rs.30 Lac/MW and Bid Bond as Rs.3 Lac/MW which has been found to be on the higher side as medium term power procurement is for 18 months only as against period of 25 years mentioned in the Standard Bidding Document (SBD).
- (ii) As per Govt. Policy, the wholly owned Government Company/ Undertaking/ Utility of Central or the State Governments are exempted from furnishing of Earnest Money Deposit.

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5. Further, the petitioner has submitted that in the Standard Bidding Document, Contract Performance Guarantee and Bid Bond amounts have been stipulated for procurement of power for 25 years. Since the petitioner is procuring the power for 18 months only, the amount of Contract Performance Guarantee and Bid Bond if considered on the basis of 25 years would be very high and therefore, the petitioner has pro-rated the same for 18 months instead of 300 months (25 years). The petitioner has also submitted that looking to the possible participation of any Government Utility in the bidding process, it is proposed to incorporate in the bidding document that the wholly owned Government Company/Undertaking/Utility of Central/State Governments are exempted from furnishing the bidding bonds.

6. During the course of the hearing, the representative of petitioner explained before the Commission, the reason for seeking the approval for the additional deviations. The Commission agrees with the petitioner and grants approval to the additional deviations as proposed by the petitioner. The Commission directs that this order allowing the additional deviations be read along with the Commission's Order dated 19.01.2012 in the matter of petition No.76/2011.

With the above directions, the case is closed.

Ordered accordingly.

sd/-

**(C.S. Sharma)**  
**Member**

sd/-

**(Rakesh Sahni)**  
**Chairman**